

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008**

	September-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	FYTD	FY08	Ended	Ended
				Net ROR	Net	Net	6/30/2008	6/30/2008
							Net	Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
Los Angeles Capital	94,269	4.0%	4.2%	-12.89%	-12.89%	-7.79%	7.68%	N/A
Total Structured Growth	94,269	4.0%	4.2%	-12.89%	-12.89%	-7.79%	7.68%	N/A
Russell 1000 Growth				-12.33%	-12.33%	-5.96%	5.91%	
<i>Structured Value</i>								
LSV	89,069	3.7%	4.2%	-6.65%	-6.65%	-21.43%	3.81%	N/A
Russell 1000 Value				-6.11%	-6.11%	-18.78%	3.53%	
<i>Russell 1000 Enhanced Index</i>								
LA Capital	190,473	8.0%	8.3%	-9.52%	-9.52%	-9.54%	6.97%	N/A
Russell 1000				-9.35%	-9.35%	-12.36%	4.81%	
<i>S&P 500 Enhanced Index</i>								
Westridge	196,227	8.2%	8.3%	-8.06%	-8.06%	-12.18%	4.98%	N/A
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	
<i>Index</i>								
State Street	61,553			-11.64%	-11.64%	-18.24%	2.93%	N/A
Total 130/30	61,553	2.6%	2.8%	-11.64%	-11.64%	-18.24%	2.93%	N/A
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	
TOTAL LARGE CAP DOMESTIC EQUITY	631,591	26.5%	27.8%	-9.42%	-9.42%	-12.71%	5.68%	N/A
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	101,265	4.2%	4.6%	-6.64%	-6.64%	-20.93%	2.06%	N/A
Russell 2000 + 200bp				-0.61%	-0.61%	-14.48%	5.88%	
<i>Enhanced</i>								
Research Affiliates	109,352	4.6%	4.6%	-2.34%	-2.34%	N/A	N/A	N/A
Russell 2000				-1.11%	-1.11%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	210,617	8.8%	9.3%	-4.46%	-4.46%	-21.14%	1.97%	N/A
Russell 2000				-1.11%	-1.11%	-16.19%	3.79%	
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	439,091	18.4%	18.6%	-5.05%	-5.05%	2.06%	2.76%	N/A
Lehman Aggregate				-0.49%	-0.49%	7.12%	4.09%	
<i>Mortgage Backed</i>								
Hyperion	84,504	3.5%	4.8%	-21.09%	-21.09%	-20.24%	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				-1.46%	-1.46%	10.14%		
<i>Core Plus/Enhanced</i>								
Clifton Group	133,742	5.6%	4.8%	0.43%	0.43%	10.17%	N/A	N/A
Prudential	130,318	5.5%	4.8%	-1.35%	-1.35%	4.89%	N/A	N/A
Total Core Plus/Enhanced	264,060	11.1%	9.6%	-0.46%	-0.46%	7.55%	N/A	N/A
Lehman Aggregate				-0.49%	-0.49%	7.12%		
<i>Index</i>								
Bank of ND	230,242	9.6%	8.4%	-1.24%	-1.24%	7.68%	3.93%	N/A
Lehman Gov/Credit (1)				-1.64%	-1.64%	7.24%	3.84%	
<i>BBB Average Quality</i>								
Wells Capital (formerly Strong)	450,184	18.9%	18.6%	-3.67%	-3.67%	3.55%	3.04%	N/A
Lehman US Credit BAA				-4.85%	-4.85%	2.62%	2.52%	
TOTAL DOMESTIC FIXED INCOME	1,468,082	61.5%	60.0%	-4.37%	-4.37%	2.32%	3.89%	N/A
Lehman Aggregate (2)				-0.49%	-0.49%	7.12%	4.09%	
CASH EQUIVALENTS								
Bank of ND	76,180	3.2%	3.0%	0.48%	0.48%	3.43%	4.10%	N/A
90 Day T-Bill				0.63%	0.63%	3.63%	4.27%	
TOTAL RISK MANAGEMENT FUND	2,386,469	100.0%	100.0%	-5.70%	-5.70%	-3.99%	3.60%	N/A
POLICY TARGET BENCHMARK				-2.69%	-2.69%	-0.98%	4.34%	

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.